



**Massachusetts Bay  
Transportation Authority**

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## **CA Remarks**

**March 26, 2018**



## Executive Summary: Own Source Revenue Update

**NOVEMBER 2015:** Set strategy to maximize own source revenues, reach \$100M within 5 years

### **KEY ACHIEVEMENTS TO DATE**

- **New advertising contract:** Focus on digital and improved revenue sharing
  - › Includes one of the highest transit advertising revenue shares in the country
- **New parking contract:** New vendor, Republic Parking, took over in 2017
  - › Enforced terms on previous vendor, LAZ, and received one-time \$4M settlement
  - › Future potential for dynamic pricing
- **Enforce real estate contracts:** Collected rent from station tenants and operating funds owed by Massport
- **South Station Lease:** Renegotiated agreement nets MBTA one million dollars in revenue per year



**FISCAL YEAR 2018:** 77% growth in own source revenues projected over 3 years

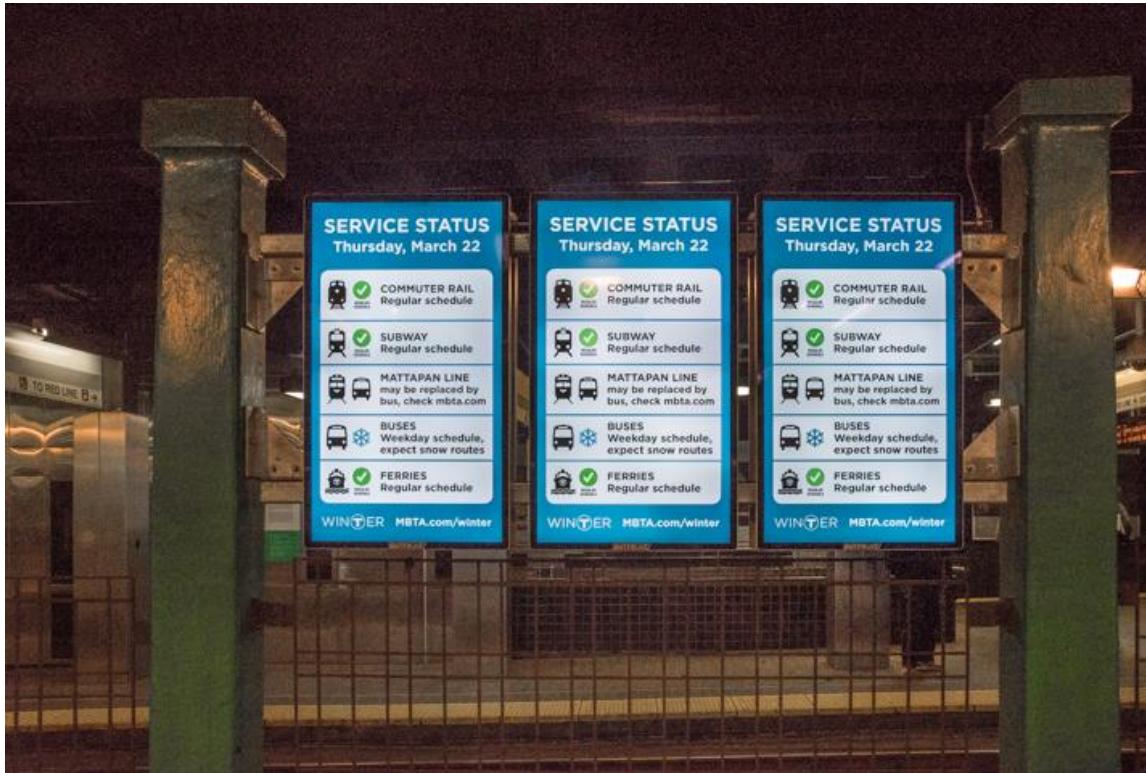


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## Advertising: Digital panels adding value to customer journeys

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# Service information for weather events



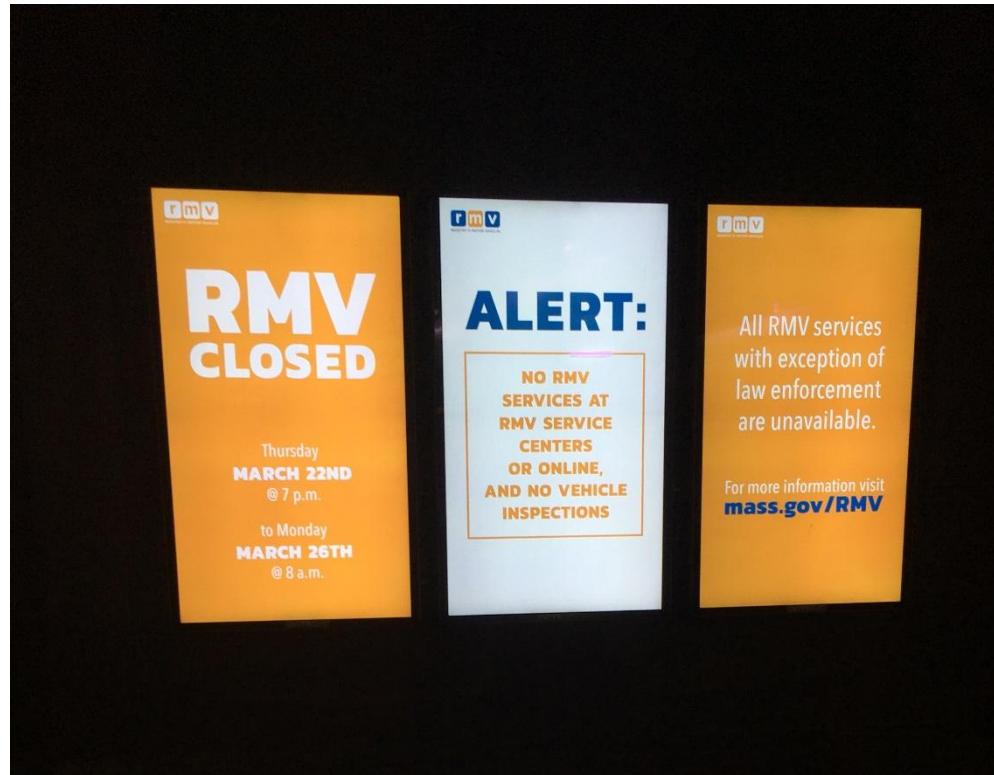


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**Advertising:**  
**Digital panels adding value to customer journeys**

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## RMV Transition for REAL ID





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**Advertising:**  
**Digital panels adding value to customer journeys**

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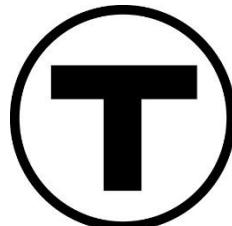
## Partnership with ICA Teen Arts Program



# FY2019 Budget: Parking Policy and FY19 Plan

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March 26, 2018



# Revenue Budget Process

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March 19: Preliminary Budget released to MBTA  
Advisory Board

March 26: Parking Policy Discussion

April 9: Update on Corporate Program

April 15: Statutory deadline for FMCB to approve  
FY19 Budget



# Parking System at a Glance

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- 44,369 spaces (29,038 CR/Ferry; 15,331 Bus)
  - ~10,000 additional spaces managed by RTAs and towns
- \$50.7 million in gross revenues in FY17
  - \$15.4 million in annual bond payments (2014 Parking Bonds)
  - \$14.2 million in operating expenses (management, credit card, snow removal, maintenance)
  - \$21.1 million in net revenues
- Facility use (occupancy and revenues) have been growing consistently over last several years



# Parking: Access and Customers

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## System Access

- ~50% of commuter rail riders start their trip with parking
- ~10% of rapid transit riders start their trip with parking

## Parking Customer Demographics (from CR data)

- Age, employment status similar to non-parkers
- Parkers tend to be wealthier than those who don't



# Parking Initiatives

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- Attended Lots transition
  - Converted Sullivan, Orient Heights, Wollaston, and Malden Center to fully automated operation
  - Saves our customers time, and MBTA operating money
- Facility reconstructions and SGR
  - South Shore Garages project commencing this year – rehabbing Braintree and Quincy Adams
  - Montserrat, Norwood Central, and Campello completed
  - Resurfacing and additional amenities planned for Sullivan, Oak Grove, Wellington, North Quincy, and Littleton
  - Launching systemwide condition assessment



# Towards a Parking Policy

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- Board targeted \$7 million in parking revenue growth in FY19 budget
- MBTA Parking system does not currently have a formal pricing policy, and has not changed prices since 2008
- Worked with Nelson/Nygaard to develop a policy framework to guide choices
- Seeking FMCB guidance on key questions to inform a final pricing policy



# Research Approach

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- Looked across multiple transit agencies (e.g. WMATA, NJ Transit, LA Metro, CTA) and municipalities (e.g. SFMTA, Boston) to review best practices
- Found several approaches not currently employed by MBTA
  - Different prices for transit customers (not feasible with current AFC technology)
  - Different prices at different lots
  - Weekend and event pricing
  - Occupancy-based pricing





# IMPROVING MBTA PARKING

## FMCB Presentation

March 26, 2018

# Program Goals

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**Drive  
Ridership**



**Increase  
Revenue**



**Improve  
Customer  
Experience**



# Current MBTA Parking Policy

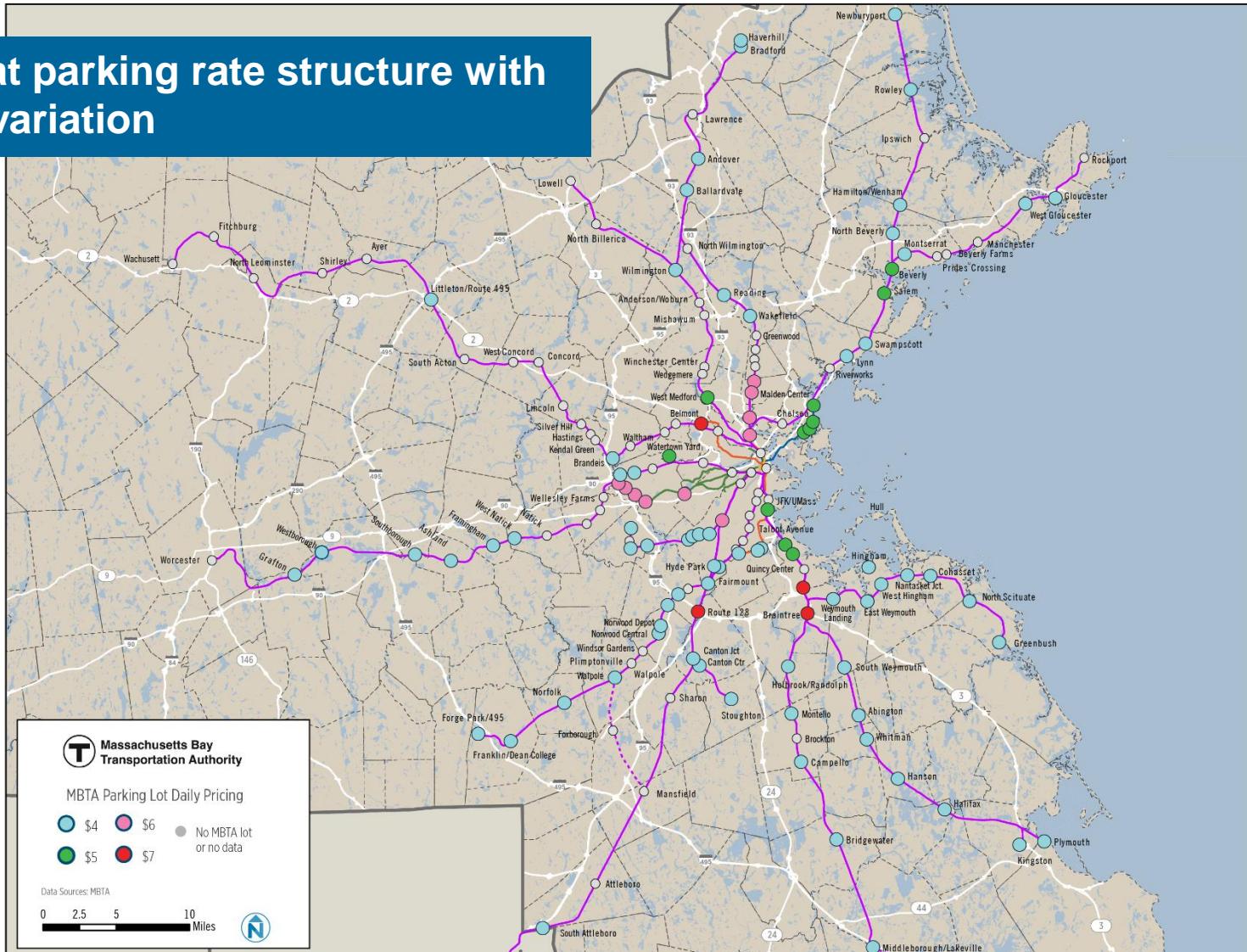
MBTA uses a flat parking rate structure with limited pricing variation

Most  
Commuter Rail  
Stations

\$4

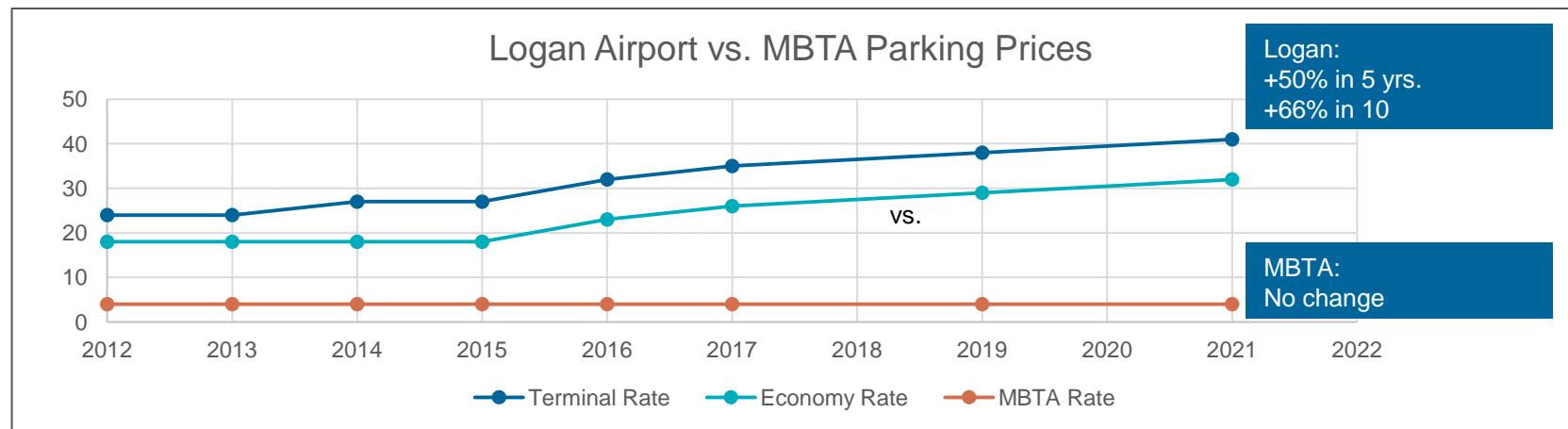
Most  
Rapid Transit  
Stations

\$5-\$7



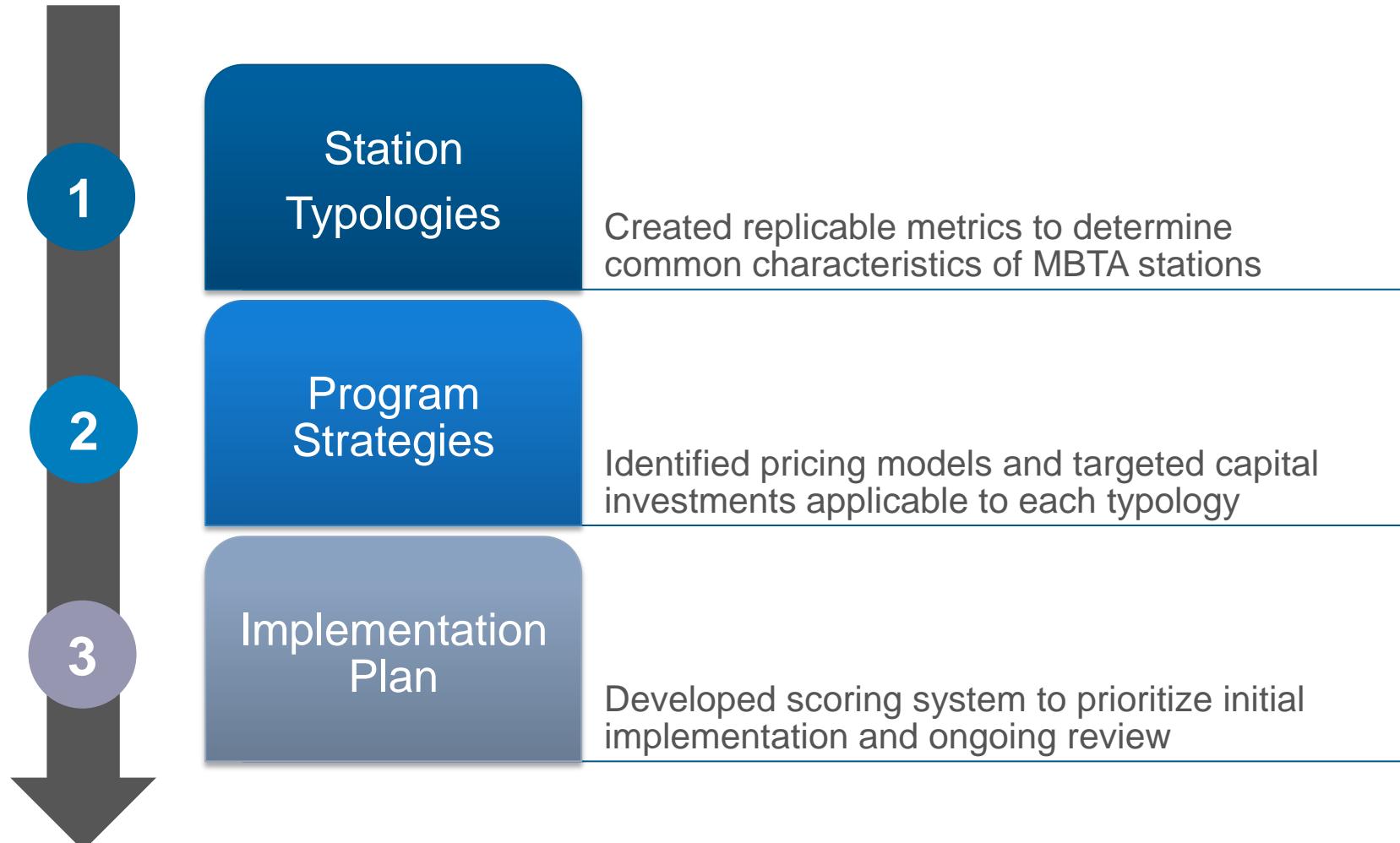
# Opportunity

- MBTA parking rates have not changed since 2008
  - Massport has raised rates 50% in that period
  - CPI is up 9.4% since February 2012
- No clear relationship between pricing and demand
- Innovative strategies can improve the customer experience while increasing revenue

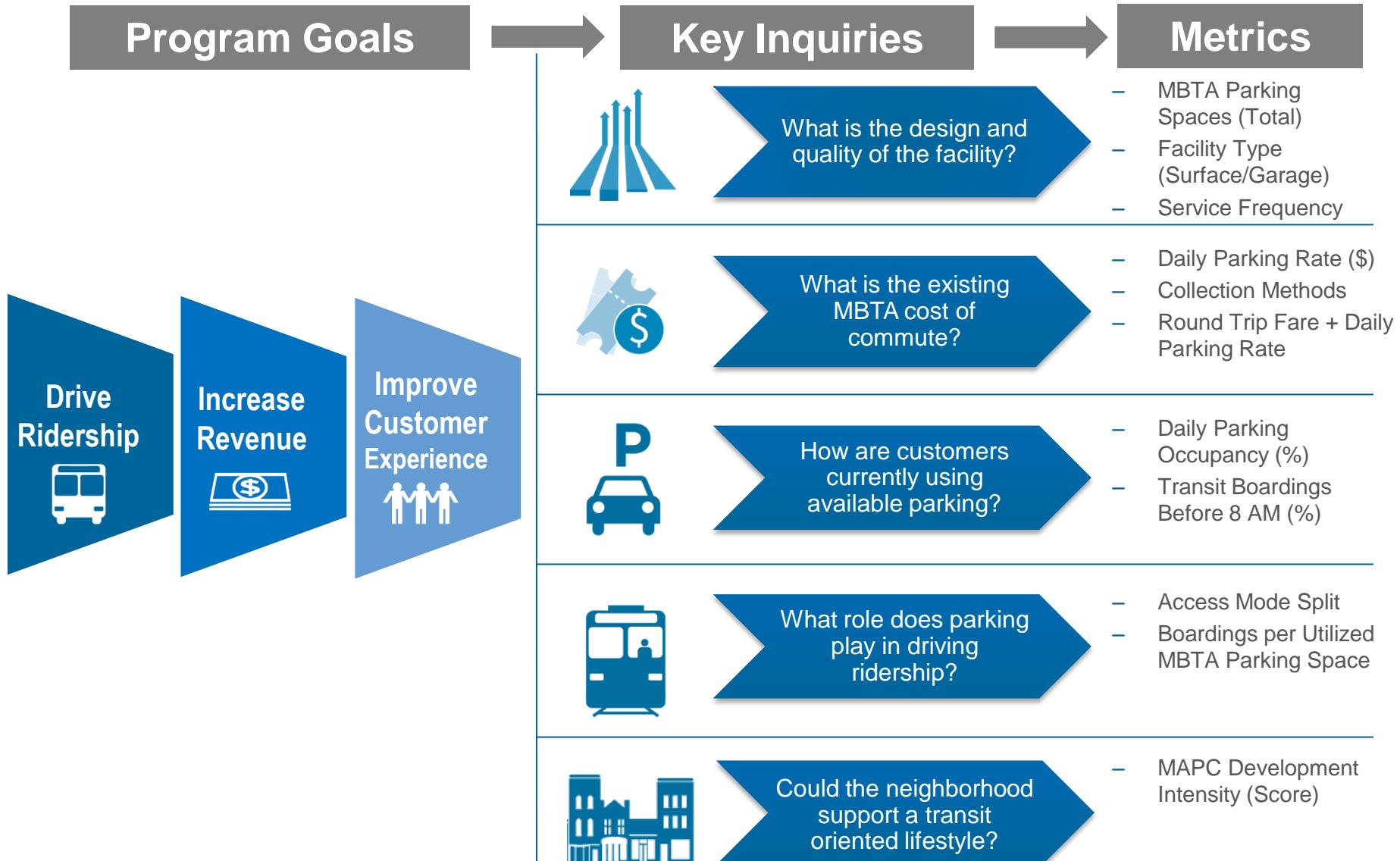


# Study Process

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# Developing Station Typologies



# Station Typologies

## 1 Regional Park & Ride



Kingston

- Highway-accessible stations with large parking facilities
- Parking is primary driver of ridership

## 2 Local Park & Ride



Southborough

- Smaller catchment areas than Regional Park & Rides
- Parking is primary driver of ridership

## 4 Urban Center



Lynn

- Transportation hubs in Gateway City downtowns
- Location in dense, walkable downtowns

## 5 Town Center



Wakefield

- Suburban, mixed-use town center with multimodal access
- Generally no more than 300 parking spaces

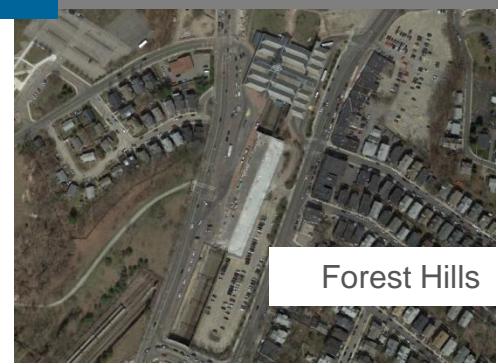
## 3 Rapid Transit Park & Ride



Alewife

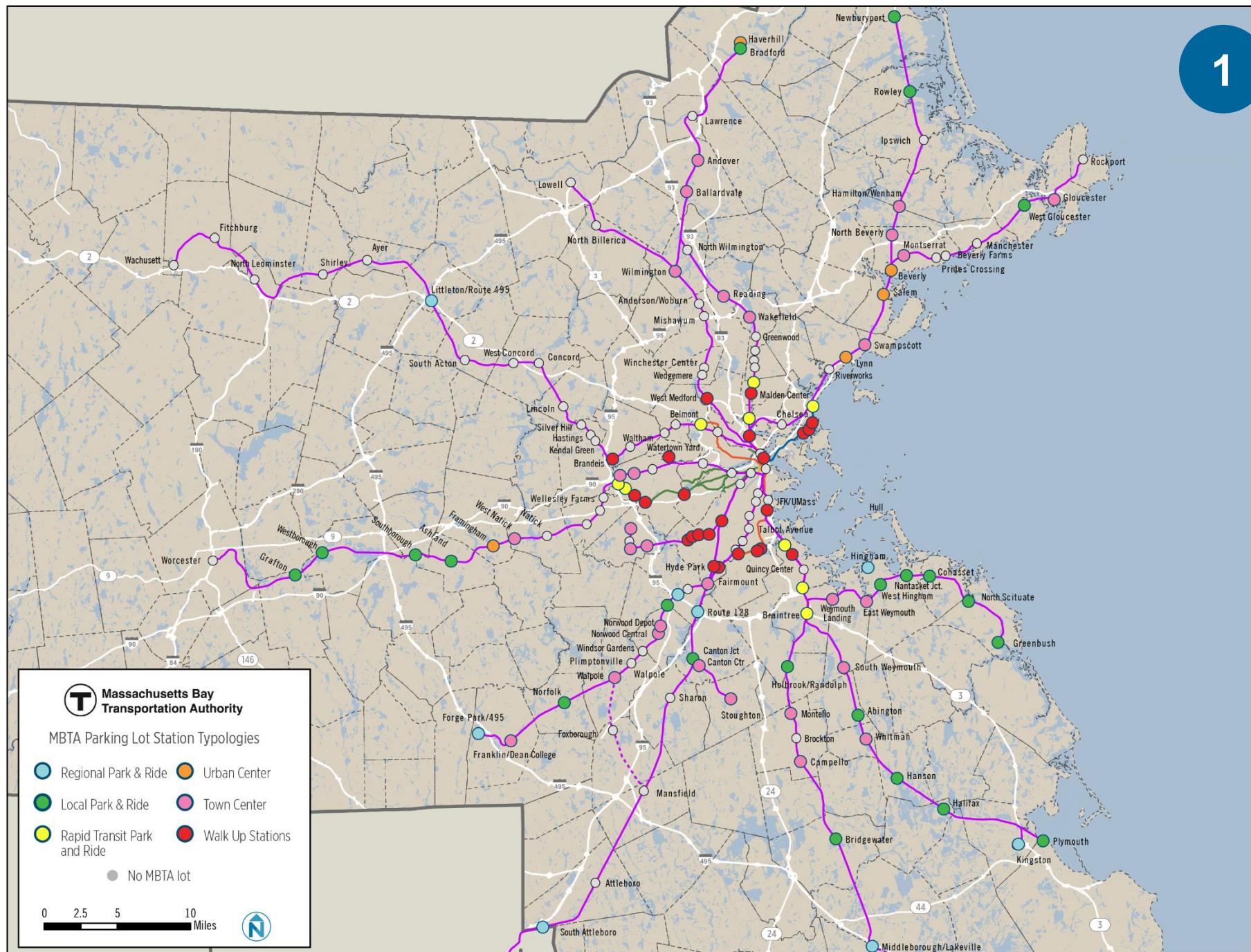
- Rapid transit stations with large parking facilities
- Accessed primarily by transit or car

## 6 Walk-Up Station



Forest Hills

- Neighborhood stations with robust transit and/or walk access
- Accessed primarily by transit or walking



# Linking Price to Availability

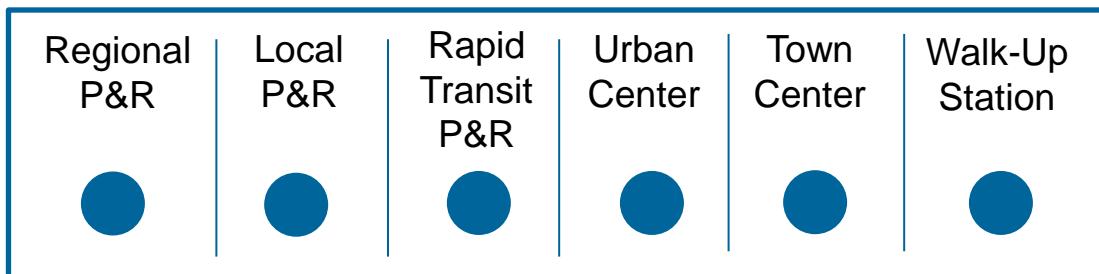
Consider changing daily rate based on occupancy to improve parking options.



- Increase daily rate at facilities with high occupancy to **ensure availability**



- Maintain or decrease daily rate at facilities with lower occupancy to **encourage use and maintain access**
- Daily rates could be maintained or lowered at more than half of stations



## In Practice...

### SFPark



### Boston



Significant Opportunity

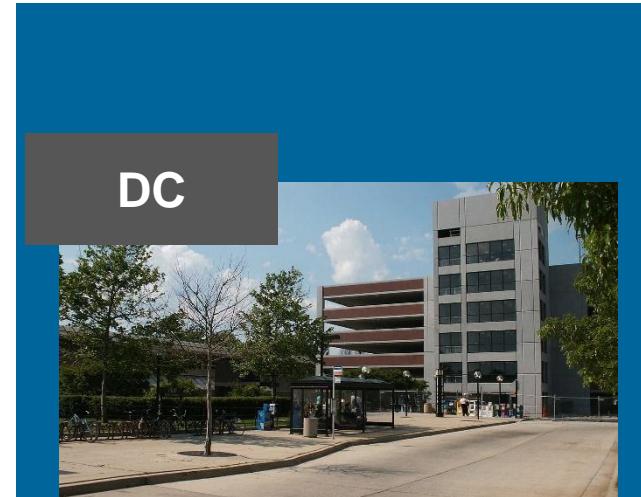
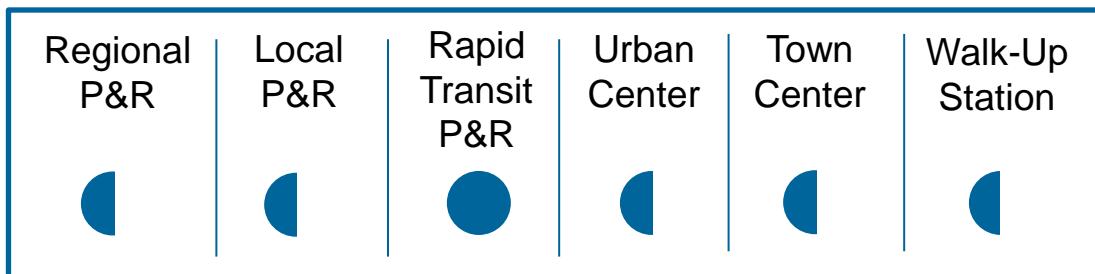
Moderate Opportunity

Limited Opportunity

# Broaden Parking Offerings

Introduce new parking products to better match customer needs

- Introduce new parking products related to station area:
  - Weekend Rates
  - Preferred or Reserved Spaces
  - Hourly Rates
  - Special Event Rates
  - Overnight Permits

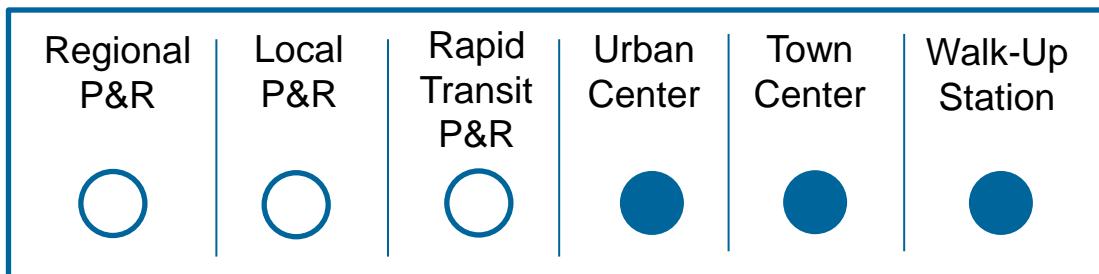


● Significant Opportunity    ● Moderate Opportunity    ● Limited Opportunity

# Municipal Coordination

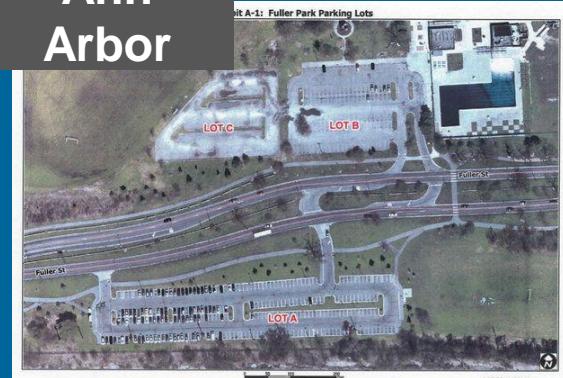
## Work with municipalities and RTAs to align parking strategies

- Coordinate municipal parking and development plans with MBTA parking
- Align parking rates with adjacent RTA or municipal facilities
- Reduce commuter parking on local streets
- Collaborate with RTAs on parking improvements



### In Practice...

#### Ann Arbor



#### Boulder

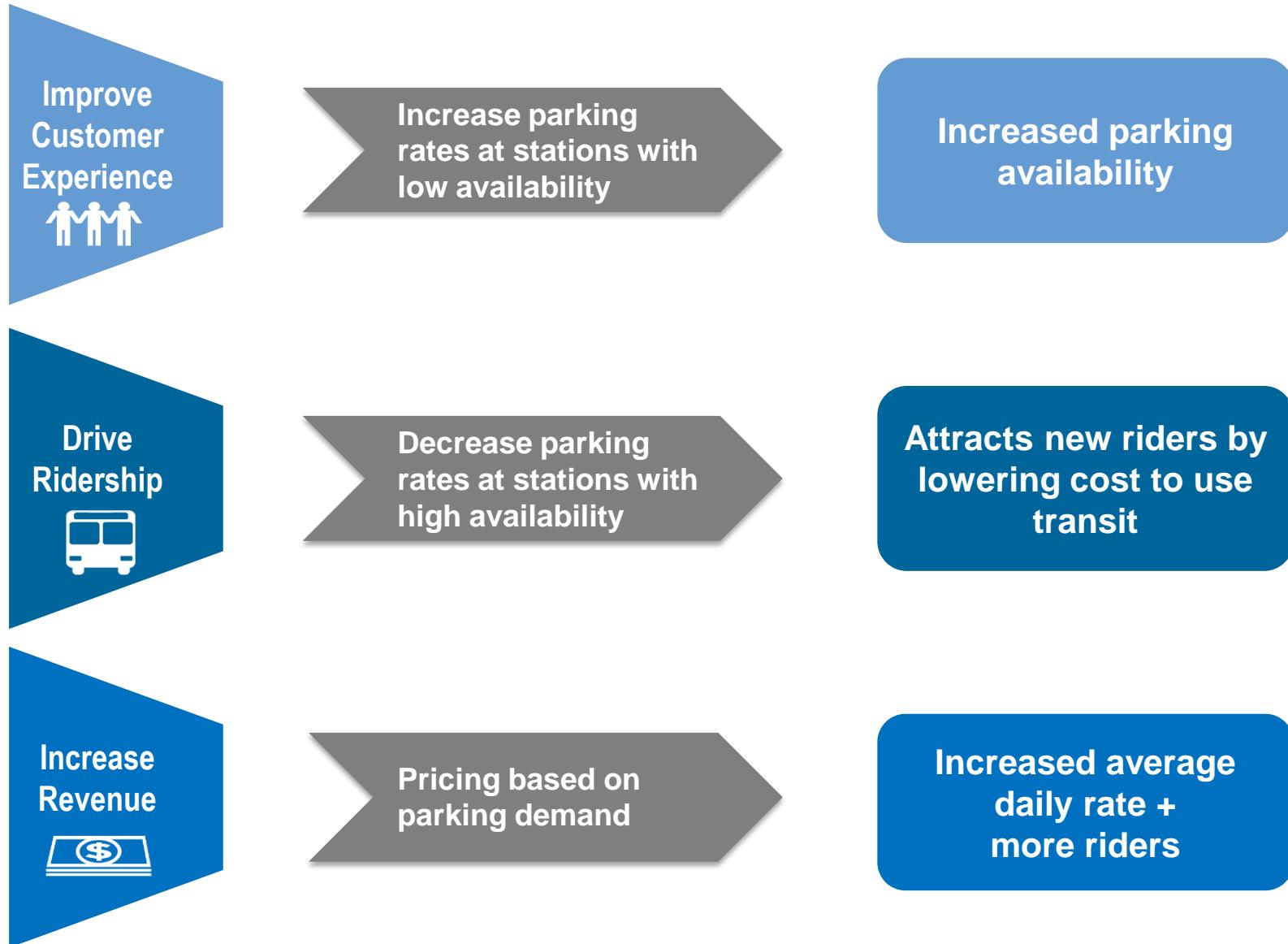


Significant Opportunity

Moderate Opportunity

Limited Opportunity

# Implementation: Linking Price to Availability



# Setting the Price



and



## In Practice...



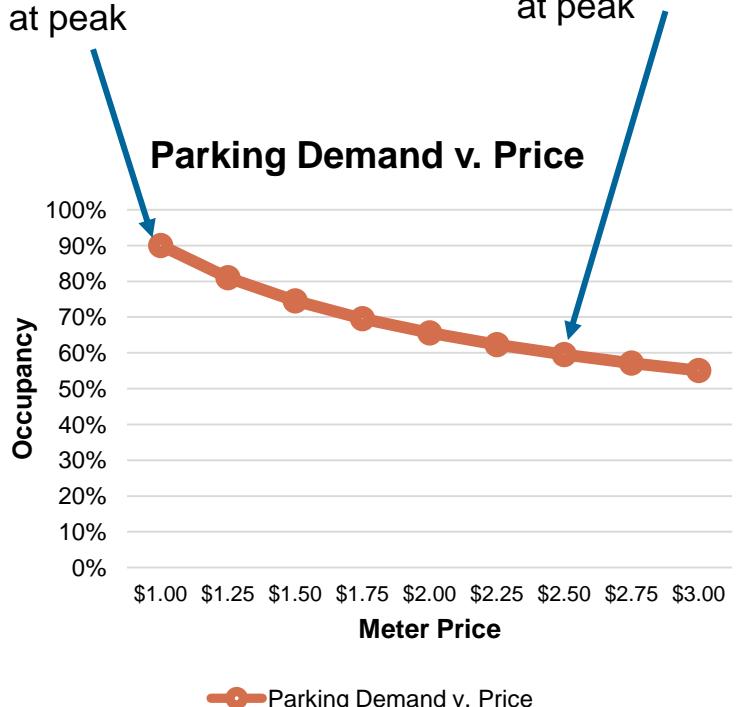
### Observed Price Elasticity:

-0.4 (more elastic than standard)

10% price increase = -4%  
occupancy

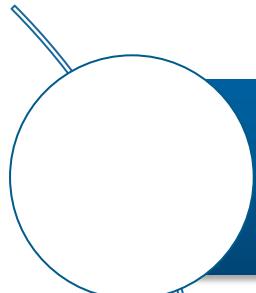
Before: \$1.00/hr,  
~90% occupied  
at peak

After: \$2.50/hr,  
~60% occupied  
at peak



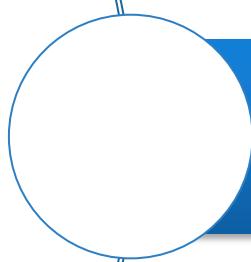
# Potential Program Benefits

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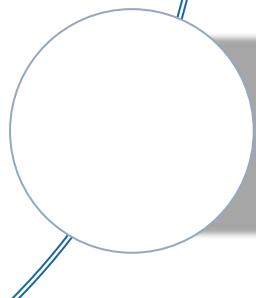
## **Increased Ridership from:**

- More parked cars
- Incentives to carpool, walk, bike, or use feeder transit



## **Increased Revenue from:**

- Price increases at highly utilized facilities
- Price discounts attract more parked cars (and riders)



## **Improved Customer Satisfaction from:**

- Less frustration balancing price and parking availability
- More flexible offerings for different user profiles

# Proposed Policy Goals

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- Rationalize parking prices across the whole MBTA system
- Promote greater weekend and off-peak use of the system by establishing more varied rates
- Advance system goals:
  - Delivery to service
  - Revenue generation
  - Improved customer experience
- Encourage Transit-Oriented Development at underused surface lots consistent with TOD Policy



# Policy Questions

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1. Should the T raise prices across the board?
2. Should pricing be used to increase availability for later arrivals?
3. Should prices be lowered at lots which do not currently fill?
4. Should the T allow customers to pay a premium and reserve a parking space?
5. Should the T have different rates within a given day (e.g. overnight rates, event prices after 4pm)?



# Should we raise prices across the board?

Example of \$1 price increase:

| Parking Revenue |          | Parking Space Occupancy |         |                | Fare Revenue         |
|-----------------|----------|-------------------------|---------|----------------|----------------------|
| \$ Change       | % Change | Weekday                 | Weekend | Annualized net | Annualized \$ Change |
| \$6,166,765     | 14%      | -1,595                  | -160    | -417,150       | -\$3,128,625         |



\* Assuming \$7.50 average daily fare revenue per space

# Next Steps and Timeline

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Today:      Parking Policy Discussion

April 9:      Present Draft Parking Policy for approval  
Corporate Program update

April 15:      Statutory deadline for FMCB to approve  
FY19 Budget

